REMARKS

1. Request for Withdrawal of Finality

The Examiner has issued a final-action, Office Action in reply to the Applicants filing of a Request for Continued Examination, stating that no new search was required in support of the final Office Action. However, Applicants filed the Request for Continued Examination (instead of an amendment after final) in response to the Examiner's statements in the Telephonic Interview Summary of May 27, 2003, which stated that a new search would be required in order to procure examination of the amended claims that were submitted. Specifically, the summary stated, "Examiner indicated that this would require further search and consideration." As such, Applicants submit that a final first-action, Office Action is not proper in this situation and request withdrawal of the final first-action, Office Action.

2. Support for Withdrawal of Finality and Response to Examiner's Interview Summary

Applicant's representative and the Examiner conducted a telephonic interview on May 24, 2004, regarding the outstanding Office Action. Shortly thereafter, the Examiner filed a Telephonic Interview Summary on May 27, 2003. Applicants herein respond to the Examiner's Telephonic Interview Summary. Specifically, the Applicants' representative pointed out that the claimed invention of the present application enables a player to participate in a reduced interruption gaming session by:

(1) crediting winnings to the player and, **in response to the player winning credits over the threshold amount, ensuring that the player continuously maintains access to all winnings over the threshold amount**; and

(2) **enabling pay-out to the player of all winnings over the threshold amount**, wherein the **pay-out occurs before a jackpot-related information statement is generated**.

Thus, the claimed invention requires: (1) that the player maintain continuous access to all winnings over the threshold amount; (2) that all winnings "over the threshold amount" be paid

out; and (3) that the "over the threshold" pay-out occurs before a jackpot-related information statement is generated.

The Acres '333 Patent

In contrast, the Acres patent NEVER pays out "all winnings over the threshold amount" since the Acres patent withholds a portion of the winnings over the threshold amount (which are debited for taxes) before these winnings are ever seen by the player. Indeed, the Acres patent refers to this payout as the "adjusted bonus amount." See Col. 6, lines 29-38. Acres further clarifies at Col. 6, lines 37-38 that "*Adjusting for taxes yields a reduced amount.*"

A. Examiner's First Acres '333 Argument

The Examiner submits that Acres clearly indicates that there will be times when no money is withheld. Accordingly, the Examiner has relied on Acres, Col. 6, lines 59-63 that states, "[t]he payment amount is determined by the amount won and the withholding amount if any. If a withholding amount is specified, it is deducted from the amount to be paid." However, the withholding amount, as defined in the specification, is determined "by taking into account the bonus amount originally won and any applicable tax withholding prescribed by IRS regulations." See Col. 6, lines 35-38. Accordingly, in Acres there are times when no money is withheld, but those times are only when the players winnings are **under** the threshold amount. Therefore, the Acres example is NOT applicable to the claimed invention, which specifically relates to enabling pay-out to the player of all winnings **over** the threshold amount.

B. Examiner's Second Acres '333 Argument

The Examiner has also relied on Acres, Col. 6, lines 63-64 that states, "[i]n some cases, the protocol will not contain such a command" as support for his opinion that there are times discussed in Acres when no money is withheld. Such reliance is misplaced. This sentence refers to a command. By examining the context of the surrounding paragraph, the meaning of this sentence is revealed. See Col. 6, lines 56-66.

> The MCI then sends a message to the game to add the appropriate number of credits to the game and clear the game for normal operation by sending the

> *appropriate command.* ... In some cases, the protocol will not contain *such a command.* In those situations, the MCI can include an electrical output device (not shown), typically an electromechanical relay, that is connected across the game reset switch. This contact closure simulates the turning of the keyswitch by a person and causes the game to be cleared again for normal operation. (Emphasis added).

Thus, what this section actual states is that either "an appropriate command" or "an electro-mechanical relay" is used to reset the game to normal operation after it has "locked-up" for a payout. Clearly, if a gaming machine "locks-up" to make a payout, then the invention is not "allowing a player to participate in a reduced interruption gaming session when a jackpot over a threshold amount is won," as is required by the claimed invention. such lock-up is an extended interception of the game session.

C. Examiner's Third Acres '333 Argument

Further, the Examiner has relied on Acres, Col. 6, line 50 that states, "Immediately approve the award and make payment" to support his opinion that winnings are paid immediately. Once again, such reliance is misplaced. By examining the context of the preceding sentences, the meaning of this sentence is revealed. See Col. 6, lines 40-50.

> In the preferred embodiment of the invention, *this reduced amount is awarded directly at the machine* (step 85) in a manner similar to regular bonus awards--e.g. applied directly to the gaming machines credit meter, to a central player account, or paid directly to the hopper. Upon receipt of the authorization signal, the game is reset and play can continue in the normal manner (step 100). *Once the amount to be paid is determined,* the casino can program the system, in accordance with IRS requirements, to take one of several actions: 1. Immediately approve the award and make payment: (Emphasis added).

Thus, what these sentences actually declare is that, in one embodiment, the reduced amount is immediately approved and awarded directly at the machine, once that reduced amount to be paid has been determined. Accordingly, the "immediate" payout that is referred to by the Examiner is clearly "a reduced payout," as are all payouts in the Acres invention that relate to winnings over a threshold amount. Obviously, a reduced payout (i.e., amount to be paid) can only be awarded after the tax withholding amount is generated. Therefore, there are no

immediate payouts of all winnings over the threshold amount from the Acres device. Once again, the Acres device is not applicable to the claimed invention, which specifically relates to enabling immediate pay-out to the player of all winnings over the threshold amount.

The Bell '461 Patent

Again, the claimed invention enables a player to participate in a reduced interruption gaming session by:

(1) crediting winnings to the player and, in response to the player winning credits over the threshold amount, ensuring that the player continuously maintains access to all winnings over the threshold amount; and

(2) **enabling pay-out to the player of all winnings over the threshold amount**, wherein the **pay-out occurs before a jackpot-related information statement is generated.**

A. Examiner's First Bell '461 Argument

The Examiner has submits that the Bell '461 patent teaches ensuring that a player continuously maintains access to all winnings, including all winnings over the threshold amount. The Examiner has further stated that the Bell '461 patent teaches that the winnings over the threshold amount are transferred to the IRS meter where the player may use them to make additional wagers. The relevant section of the Bell '461 patent Col. 3, lines 38-43 states:

> This method guarantees that all winnings that are reportable to the IRS are automatically placed on the IRS reporting credit meter 204 for later use in preparing the W2-G Form. The player then places a bet 207 which amount is deducted from the IRS reportable credit meter 204.

Thus, all winnings over the threshold amount are placed on an IRS reporting credit meter. Importantly, while the Examiner is correct that the player has access to the winnings on the IRS reporting credit meter **for placing bets**, the player DOES NOT have access to the winnings on the IRS reporting credit meter **for immediate cash out**. In order to cash out, a player must go through the following procedure, described at Col. 4, lines 45-63:

> When the player chooses to stop playing, the following events will happen:
>
> 1. Either an attendant will access the IRS win meter 304 and prepare a W2-G Form 312 for the balance of the meter. At 313 on the diagram, a manual key would be used to reset the IRS win meter 304 and make the total credit display 309 balance available for payment to the player; or
>
> 2. A print out 318 corresponding to the amount of winnings stored in the IRS win meter 304 is automatically printed directly onto a W2-G Form including all of the required information of the player, thereby eliminating any manual preparation of the W2-G Form. The printout 318 is either printed at the slot machine or some other convenient location and the IRS win meter 308 is either reset automatically or manually as described above; and
>
> 3. The player can then cash out 314 through a hopper pay 315 through a handpay 317 or by whatever other means may be provided 316.

Thus, in the Bell '461 patent, **before a player can cash out** either (1) an attendant will access the IRS win meter, prepare a W2-G Form for the balance of the meter, and use a key to reset the IRS win meter, or (2) a print out corresponding to the amount of winnings stored in the IRS win meter will be printed onto a W2-G Form and the IRS win meter will be reset. Accordingly, a player operating under the Bell '461 patent DOES NOT have continuous access to the winnings on the IRS reporting credit meter **for immediate cash out**, as required by the claimed invention. clearly, the Bell '461 patent teaches away from the current inventions claimed.. Furthermore, the claimed invention also explicitly requires "enabling pay-out to the player of all winnings over the threshold amount, wherein the **pay-out occurs before a jackpot-related information statement is generated.**" This is in furtherance of the claimed invention's primary goal, to reduce (or ideally eliminate) interruptions in a gaming session. In stark contrast, it is abundantly clear from Col. 4, lines 45-63 quoted above, that the **jackpot-related information statement must be generated**, either by an attendant or by an automated printer, **before a pay-out can occur.** This is the opposite of that which is taught by the claimed invention.

B. Examiner's Second Bell '461 Argument

The Examiner also argues that the Bell '461 patent teaches recording the nationality of a player so that money will not be withheld in cases where IRS rules do not apply. Continuing, the

Examiner further stated that if no taxes are withheld then no reduction is made to the winnings and the player receives all winnings over the threshold amount. While the Examiner is correct that the Bell patent does not produce a "reduce payout amount," as is done in the Acres patent, the nationality provision of the Bell Patent creates a situation where no IRS statement is generated. This is contrary to the claimed invention, which is designed to generate a jackpot-related information statement after payout to the player of all winnings over the threshold amount has occurred.

C. Examiner's Third Bell '461 Argument

While the Examiner admits that the Bell patent "fails to teach enabling the payout before the jackpot related information is generated," the Examiner has looked to Acres for support. In this regard, the Examiner has once again relied on Col. 6, line 50 that states, "Immediately approve the award and make payment" for support. As explained above, such reliance is misplaced. By examining the context of the preceding sentences, the meaning of this sentence is revealed. See Col. 6, lines 40-50.

> In the preferred embodiment of the invention, *this reduced amount is awarded directly at the machine* (step 85) in a manner similar to regular bonus awards--e.g. applied directly to the gaming machines credit meter, to a central player account, or paid directly to the hopper. Upon receipt of the authorization signal, the game is reset and play can continue in the normal manner (step 100). *Once the amount to be paid is determined*, the casino can program the system, in accordance with IRS requirements, to take one of several actions: 1. Immediately approve the award and make payment: (Emphasis added).

Thus, what these sentences actually declare is that, in one embodiment, the reduced amount is immediately approved and awarded directly at the machine, once that reduced amount to be paid has been determined. Accordingly, the "immediate" payout that is referred to by the Examiner is clearly "a reduced payout," as are all payouts in the Acres invention that relate to winnings over a threshold amount. Obviously, a reduced payout (i.e., amount to be paid) can only be awarded after the tax withholding amount is generated. Therefore, there are no immediate payouts of all winnings over the threshold amount from the Acres device. As such,

the Acres device is NOT applicable to the claimed invention, which specifically relates to enabling immediate pay-out to the player of all winnings over the threshold amount.

3. Claims Rejections - 35 U.S.C. §102(e) – Claims 11-19, 22-25, 27-33, 35-44, and 47

Claims 11-19, 22-25, 27-33, 35-44, and 47 were rejected in the Office Action dated January 30, 2004, under 35 U.S.C. §102(e) as being anticipated by Acres (U.S. Patent No. 6,312,333). Applicants respectfully traverse this rejection. However, in order to provide clarification only, claims 11, 23, 24, 29, and 36 have been amended. Claims 11, 23, 24, 29, and 36 are independent claims. Claims 12-19 and 22 depend from independent claim 11; claims 25 and 27-28 depend from independent claim 24; claims 30-33 and 35 depend from independent claim 29; and claims 37-44 and 47 depend from independent claim 36. For brevity, only the bases for the rejection of the independent claims are traversed in detail on the understanding that the dependent claims are also patentably distinct over the prior art as they depend directly from their respective independent claim. Nevertheless, the dependent claims include additional features that, in combination with those of the independent claims, provide further, separate, and independent bases for patentability.

The Examiner has taken the position that the Acres patent anticipates the invention of claims 11-19, 22-25, 27-33, 35-44, and 47 (i.e., includes each and every element of claims 11-19, 22-25, 27-33, 35-44, and 47). The claimed invention, as amended, (1) "enables pay-out to the player of all winnings, including all winnings over the threshold amount during the reduced interruption gaming session," and further, (2) "the pay-out occurs before a jackpot-related information statement is generated."

In contrast, the Acres patent discloses a gaming machine that accepts bets from a player and provides a payout in response to a winning bet that is under a payout threshold amount. Importantly, the Acres patent (1) intentionally locks-up the gaming machine if the payout is over a pre-established threshold, (2) performs a calculation based upon the amount of payout over the pre-established threshold, and (3) reduces the amount of the payout over the threshold (i.e., it withholds a percentage of the winnings over the threshold amount for taxes), before unlocking the gaming machine after the reduced payout has been authorized. Accordingly, the Acres gaming machine

actually reduces the amount of the payout over a specified threshold by withholding a percentage of the winnings over the threshold amount for tax payment. Thus, the Acres gaming machine does NOT enable pay-out to the player of all winnings, including all winnings over the threshold amount during the reduced interruption gaming session, as required by the claimed invention. Indeed, the Acres gaming machine NEVER pays-out all winnings over the threshold amount during the reduced interruption gaming session since the Acres gaming machine *actually decreases the winnings over the threshold amount to enforce taxation of winnings before they even reach the player's hands.* Furthermore, this immediate taxation enforcement of winnings over a threshold amount is an action that many patrons may find highly objectionable and annoying.

Additionally, the Examiner has stated that in cases where the player already has the necessary information on file, the Acres patent will "immediately approve the award and make payment," and thus, no delay is encountered. The Examiner has quoted from Acres, Col. 6, line 50, as support for his position that no delay is encountered with the Acres gaming machine. However, the Examiner has not mentioned the preceding sentence that states: "Once the amount to be paid is determined, the casino can program the system, in accordance with IRS requirements, to take one of several actions." (Emphasis added). Accordingly, as Col. 6, lines 13-46 of the Acres patent are examined, it becomes clear that Acres (1) *intentionally locks-up the gaming machine* if the payout is over a pre-established threshold, (2) performs a calculation based upon the amount of payout over the pre-established threshold, and (3) reduces the amount of the payout over the threshold, before unlocking the gaming machine after the reduced payout has been authorized. Only after these events occur, can the Acres patent "approve the award and make payment." Thus, the Acres gaming machine NEVER pays-out all winnings over the threshold amount. Accordingly, only a portion of the award over the pre-established threshold is paid out, and even that reduced payment is far from immediate.

In conclusion, the Acres patent does not teach or suggest each and every element of the claimed invention, and is in fact incongruous with the claimed invention. Acres patent discloses a system that is directly at odds with the claimed invention, and accordingly, actually teaches away from the claimed invention. Accordingly, Applicants respectfully submit that the 35 U.S.C.

§ 102(e) rejection of claims 11-19, 22-25, 27-33, 35-44, and 47 as unpatentable over Acres has been overcome.

4. Claims Rejections - 35 U.S.C. §103(a) – Claims 1, 2, and 4-10

Claims 1, 2, and 4-10 were rejected in the Office Action dated January 30, 2004, under 35 U.S.C. § 103(a) as being anticipated by Bell et al. (U.S. Patent No. 5,505,461). Applicants respectfully traverse this rejection. However, in order to provide clarification only, claim 1 has been amended. Claim 1 is an independent claim. Claims 2 and 4-10 depend from independent claim 1. The basis for the rejection of the independent claim is traversed in detail on the understanding that dependent claims are also patentably distinct over the prior art as they depend directly from independent claim 1. Nevertheless, the dependent claims include additional features that, in combination with those of the independent claims, provide further, separate, and independent bases for patentability.

The Examiner has taken the position that the Bell patent anticipates the invention of claims 1, 2, and 4-10 (i.e., includes each and every element of claims 1, 2, and 4-10). The claimed invention, as amended, requires (1) ensuring that the player continuously maintains access to all winnings, including all winnings over the threshold amount; and (2) enabling pay-out to the player of all winnings, including all winnings over the threshold amount during the reduced interruption gaming session, wherein the pay-out occurs before a jackpot-related information statement is generated.

In contrast, the Bell patent discloses a gaming machine that does NOT provide a payout in response to a winning bet that is over the payout threshold amount, but rather transfers this non-received payout into a credit on an IRS reportable credit meter where the non-received payout is stored. Accordingly, the Bell patent does NOT "enable pay-out to the player of all winnings, including all winnings over the threshold amount during the reduced interruption gaming session," as required by the claimed invention. Instead, the Bell patent prevents the payout of this credit until after a tax form has been produced. Thus, the Bell gaming machine does NOT ensure that the player continuously maintains full access to any winnings over the threshold amount, as required by

the claimed invention. In fact, claim 1 of the Bell patent includes the claim element "means for preventing payout of said credit in said IRS credit storage means by said player." Thus, the Bell patent teaches directly away from the claimed invention. Furthermore, the claimed invention also recites that the IRS reporting statement (i.e., statement referencing the recorded jackpot-related information and stored player-related information) be generated after the reduced interruption gaming session is terminated. The Bell patent requires just the opposite, that the gaming session must be ended and the IRS reporting statement generated (either printed or filled out by an attendant) before the player can be cashed out.

In conclusion, the Bell patent does not teach or suggest each and every element of the claimed invention, and is in fact incongruous with the claimed invention. Indeed the Bell patent, while dealing with related issues, discloses a system that is directly at odds with the claimed invention, and thus, actually teaches away from the claimed invention. Accordingly, Applicants respectfully submit that the 35 U.S.C. § 102(b) rejection of claims 1, 2, and 4-10 as unpatentable over Bell has been overcome.

5. Claims Rejections - 35 U.S.C. §103(a) – Claim 3

Claim 3 was rejected in the Office Action dated January 30, 2004, under 35 U.S.C. § 103(a) as being unpatentable in view of Bell et al., and further in view of Bergeron et al. (U.S. Patent No. 4,882,473) and Pease et al. (U.S. Patent No. 5,326,104). Applicants respectfully traverse this rejection. However, in order to provide clarification only, claims 1 and 3 have been amended. Claim 1 is an independent claim. Claim 3 depends from independent claim 1. For brevity, only the bases for the rejection of the independent claim 1 are traversed in detail on the understanding that dependent claim 3 is also patentably distinct over the prior art as it depends directly from independent claim 1. Nevertheless, the dependent claim 3 includes additional features that, in combination with those of independent claim 1, provide further, separate, and independent bases for patentability.

The Examiner states that the Bell patent teaches the invention substantially as claimed, but does not teach inserting an agent card or selecting uninterrupted play from a menu. The Examiner

further states that Bergeron teaches insertion of an agent card for the purpose of enhancing security, and that Pease teaches a menu-driven system. The shortcomings of the Bell patent are well documented in Section 4 above. Neither the Bergeron patent nor the Pease patent satisfy these shortcomings.

The Bell, Bergeron, and Pease patents do not teach or suggest each and every element of the claimed invention. Indeed the Bell patent, while dealing with related issues, discloses a system that is directly at odds with the claimed invention, and thus, actually teaches away from the claimed invention. Accordingly, Applicant respectfully submits that the 35 U.S.C. § 103(a) rejection of claim 3 as unpatentable has been overcome.

6. Claims Rejections - 35 U.S.C. §103(a) – Claims 20, 21, 26, 34, 45, and 46

Claims 20, 21, 26, 34, 45, 46, and 48-50 were rejected in the Office Action dated January 30, 2004, under 35 U.S.C. § 103(a) as being unpatentable in view of Acres (U.S. Patent No. 6,312,333), and further in view of Bergeron et al. (U.S. Patent No. 4,882,473) and Pease et al. (U.S. Patent No. 5,326,104). Applicants respectfully traverse this rejection. However, in order to provide clarification only, claims 20, 21, 26, 34, 45, and 46 have been amended. Claims 48-50 have been canceled. Claims 11, 23, 24, 29, and 36 are independent claims. Claims 20 and 21 depend from independent claim 11; claim 26 depends from independent claim 24; claim 34 depends from independent claim 29; and claims 45 and 46 depend from independent claim 36. For brevity, only the bases for the rejection of the independent claims are traversed in detail on the understanding that dependent claims are also patentably distinct over the prior art as they depend directly from their respective independent claims. Nevertheless, the dependent claims include additional features that, in combination with those of the independent claims, provide further, separate, and independent bases for patentability.

The Examiner states that the Acres patent teaches the invention substantially as claimed, but does not teach inserting an agent card or selecting uninterrupted play from a menu. The Examiner further states that Bergeron teaches insertion of an agent card for the purpose of enhancing security, and that Pease teaches a menu-driven system. The shortcomings of the Acres patent are well

documented in Section 3 above. Neither the Bergeron patent nor the Pease patent satisfy these shortcomings.

In conclusion, the Acres, Bergeron, and Pease patents do not teach or suggest each and every element of the claimed invention. The Acres patent discloses a system that is directly at odds with the claimed invention, and accordingly, actually teaches away from the claimed invention. Accordingly, Applicants respectfully submit that the 35 U.S.C. § 103(a) rejection of claims 20, 21, 26, 34, 45, and 46 as unpatentable has been overcome.

CONCLUSION

Applicant has made an earnest and bona fide effort to clarify the issues before the Examiner and to place this case in condition for allowance. In view of the foregoing discussions, it is clear that the differences between the claimed invention and the prior art are such that the claimed invention is patentably distinct over the prior art. Therefore, reconsideration and allowance of claims 1-47 is believed to be in order, and an early Notice of Allowance to this effect is respectfully requested. If the Examiner should have any questions concerning the foregoing, the Examiner is invited to telephone the undersigned attorney at (310) 712-8319. The undersigned attorney can normally be reached Monday through Friday from about 9:30 AM to 6:30 PM Pacific Time.

Respectfully submitted,

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